Fact sheet 4e: Paying expenses to volunteers

Not every volunteer will want or need to claim expenses, but for people who are unemployed or live on a fixed income, expenses can be a real issue.  Even quite small expenses, such as bus fare, can make volunteering too expensive for some. If your organisation is able to pay expenses, make an effort to foster an organisational culture that encourages volunteers to claim expenses without feeling guilty or uncomfortable.

If your organisation cannot or does not pay volunteers’ expenses, be aware that some volunteers will choose another organisation based on this fact. So as not to jeopardise the success of your organisation’s volunteer recruitment strategy, consider including volunteer expenses as a budget item in funding applications.

**What expenses should you pay?**

Expenses that organisations can legitimately offer to volunteers include:

* Travel expenses to and from the place of volunteering
* Travel expenses in the course of volunteering. This can be a mileage rate for volunteers who use their own car or the cost of bus, rail or taxi fares
* The cost of meals or refreshments purchased while volunteering
* The cost of specialist clothing or materials required to volunteer
* Childcare costs or, if the volunteer is a carer, the cost of the care of adult dependents while the carer is volunteering.

**Procedure**

Volunteers should be reimbursed the actual cost of their expenses. They should provide documentary evidence such as a receipt, bus ticket or mileage record. You might wish to use our [Sample volunteer expenses claim form](https://drive.google.com/open?id=0BxM5UHfVB7YWXzdYZ2I4eHl1bDA) as a basis for your expenses procedure.

Your organisation’s approach to paying expenses should be included in your Volunteering Policy, Volunteer Handbook and Induction process.

Avoiding the improper payment of expenses

Whilst paying volunteer expenses is most certainly good practice, it’s important not to get carried away in the spirit of rewarding volunteers’ time and effort. Going above and beyond paying travel and out of pocket expenses can be construed as paying volunteers for their work. This means that they become entitled to the standard benefits employees receive – such as the minimum wage and paid holidays. These practices can also create problems for volunteers on state benefits, because employee status is likely to affect their entitlement to claim.

You could inadvertently create a contract of employment, if you:

* Offer ‘flat rate’ expenses of any amount no matter how small
* Pay volunteers more than the actual cost of expenses. This includes ‘rounding up’ the amount you reimburse volunteers
* Explicitly offer volunteers perks with a monetary value in exchange for a certain number of hours work.

Also note: please take particular care around the following specific situations:

* 1. Training: if a volunteer is provided with training beyond the skills and knowledge required for the volunteering role, it could be considered to be a payment, thus fulfilling the requirements for a contract of employment. We therefore recommend you keep training for volunteers within the limits of the duties and responsibilities of their role.
  2. Mileage: If the volunteer is receiving payments in excess of reimbursement for expenses and the HMRC mileage allowance, they could be classed as an employee and their driving is likely to be classified as business use.

For more information, see:

* [Fact Sheet 2c: Avoiding the pitfall of creating employment contracts](https://drive.google.com/open?id=0BxM5UHfVB7YWbVAwdmNMdE1Cam8)
* [Fact Sheet 2g: Volunteering and welfare benefits](https://drive.google.com/open?id=0BxM5UHfVB7YWb2xDZGdPOXpoZW8)
* [GOV.UK: The National Minimum Wage: volunteers and interns](http://researchbriefings.files.parliament.uk/documents/SN00697/SN00697.pdf)

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